



## CITY OF DURHAM | NORTH CAROLINA

**Date:** May 8, 2012

**To:** Thomas J. Bonfield, City Manager  
**Through:** Theodore L. Voorhees, Deputy City Manager  
**From:** Donald F. Greeley, Director, Water Management  
Jerry Morrone, Engineering Supervisor, Water Management

**Subject:** Contract SR-54: Utility Easement Maintenance, Mowing and Hand Cutting

### Executive Summary

The Department of Water Management received bids for mowing, maintenance and hand cutting services in existing water and sewer easements. The firm Bushhog America, Inc. was selected based on their qualifications and responsiveness at a bid price of \$1,739,620.00 over the three-year contract.

### Recommendation

The Department of Water Management recommends that the City Council:

Authorize the City Manager (1) to execute the three year SR-54 Utility Easement Maintenance, Mowing and Hand Cutting Contract with Bushhog America, Inc, and (2) to negotiate, approve and execute change orders to the contract, so long as the total contract cost does not exceed \$1,739,620.00.

### Background

The Department of Water Management is responsible for the maintenance of existing City easements to ensure that adequate access to the buried utilities within the easements as well as prevent interference from roots. The Department fulfills this responsibility by mowing all easements annually as well as hand-cutting large vegetation and removing large trees that are encroaching on existing easements. The City is required to maintain access to all existing sewer easements by the collection system permit issued by the North Carolina Department of Environment and Natural Resources (NC DENR). City staff now maintains approximately 1/3 of the 300 miles of the existing water, sewer and raw water easement with City staff. The maintenance of the remaining 200 miles of easement is handled by private contractors.

Private contractors currently represent the most cost-effective option for maintaining the 200 miles of easements not maintained by City crews. The bulk of this work is seasonal in nature, meaning large portions of the easement maintenance are performed in a three to four month window. It is impractical for the City to maintain staff levels capable of performing such a large amount of work in such a short amount of time. The staff levels maintained by the City are appropriate for as-needed mowing for utility rehabilitation.

### Issues and Analysis

On March 20, 2012, the Department of Water Management received bids for the System Rehabilitation project, SR-54, which consists of clearing, mowing, hand cutting, and removing hand-cut trees from approximately 200 miles of water and sewer easements throughout the City's water and sewer service areas. The contract is for three mowing seasons (July 1 through December 31).

Bids were originally due on Tuesday, February 28<sup>th</sup>, however at the scheduled bid opening an insufficient number of bids was received and the project was re-advertised. The new bid opening was held on March 20<sup>th</sup>.

The following is a summary of bids received on March 20<sup>th</sup>:

TruGreen LandCare, LLC	\$1,539,900.25
Bushhog America, Inc.	\$1,739,620.00 * Lowest responsive bidder

TruGreen LandCare, LLC was deemed non-responsive for failing to provide the required amount of past experience with similar-type projects requested by the bid documents. Bushhog America, Inc was deemed responsive.

The Department's bid process required that bidders submit in their bids experience on at least three projects similar in scope and cost to the project proposed. TruGreen LandCare did not provide similar-type experience to the proposed work, and City staff calls to their references confirmed past projects were dissimilar to the intended work. The Department does not consider their bid responsive and recommends award to Bushhog America, Inc. in the amount of \$1,739,620.00.

### **Alternatives**

Alternative #1 - Do not move forward with the project. Department staff does not have the resources or availability to provide easement maintenance of this magnitude, and as a result the required maintenance would not take place. This alternative would be a violation of the City's sewer collection permit and result in water and sewer mains being inaccessible to City staff.

Alternative #2 - Re-advertise the project in an attempt to solicit more bidders. Under this alternative, the bid documents would be altered to be more favorable to bidders, and the bid re-advertised for 30 more days. This alternative would result in contract documents that are very unfavorable to the City, and a bid award that is extremely late relative to the start of the mowing season. Bid prices are likely to remain the same or increase under this alternative, and the signed contract will be unfavorable to the City.

Alternative #3 - Select the lowest bidder, TruGreen LandCare, LLC. Under this alternative, TruGreen Landcare will be awarded the contract and conduct the work at the unit price bid. This alternative would result in the award of the contract to a contractor that has not demonstrated sufficient experience in the bid documents, and may not be capable of executing the contract in compliance with the contract specifications. The likelihood of deficient work is significantly higher under this alternative.

### **Financial Impact**

This contract is for three seasons of mowing/bush hogging with funding approved in separate fiscal years. The funding will be allocated as follows:

Year 1	FY 2012-2013	\$579,873.33
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Year 2	FY 2013-2014	\$579,873.33
Year 3	FY 2014-2015	\$579,873.33

Funds for this project were approved in the Water and Sewer Maintenance Division Operating Budget. There will be funds available for Year 1 of this project (5100P600-728600) upon approval of the budget.

#### **SDBE Summary**

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Bushhog America, Inc. of West Jefferson, North Carolina to determine compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. It was determined that Bushhog America, Inc. are, LLC was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

#### **SDBE REQUIREMENTS**

There were no SDBE requirements for this project.

#### **WORKFORCE STATISTICS**

The workforce statistics for Bushhog America, Inc. are as follows:

Total Workforce	9	
Total Females	1	11%
Total Males	8	89%
Black Males	0	0%
White Males	8	89%
Other Males	0	0%
Black Females	0	0%
White Females	1	11%
Other Females	0	0%